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Review of the implementation of the work programme of the Standing Committee on Poverty Alleviation, and proposed future orientation of the work of the Committee

Note by the UNCTAD secretariat

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I. BACKGROUND

1. The United Nations Conference on Trade and Development, at its eighth session held in Cartagena, Colombia (February 1992) adopted far-reaching reforms in the intergovernmental structures and machinery of UNCTAD. Four new standing committees were created, among them the Standing Committee on Poverty Alleviation. The terms of reference of the Committee were established by the Trade and Development Board at the second part of its thirty-eighth session in April 1992. Its main objective has been "to contribute to national and international efforts to prevent, alleviate and reduce poverty, particularly where it is more acute, as well as to the formulation of related national and international policies, bearing in mind the diversity of country situations, including the particular problems of the least developed countries and the most Vulnerable population groups".[1]

2. While many organs and organizations of the United Nations system carry out work related to poverty, the UNCTAD Standing committee on Poverty Alleviation has been the only intergovernmental body with open, universal membership that deals exclusively with issues of poverty prevention, alleviation and reduction. It has provided a forum for the exchange of information and national experiences between Governments, international organizations, other intergovernmental bodies and NGOs on poverty issues. It has also served as a vehicle for reaching a broad consensus on the policies required to alleviate poverty, as well as for the formulation of guidelines to translate these policies into programmes and mobilize domestic and external resources in support of poverty alleviation efforts.

II. METHOD OF WORK AND STATUS OF IMPLEMENTATION

3. The issues to be examined and discussed in the sessions of the Standing Committee were determined in accordance with the terms of reference of the Standing Committee, as established by the Trade and Development Board, and the Work Programme that was subsequently adopted by the Standing Committee at its first session.[2] Suggestions concerning policies and programmes for poverty alleviation which particularly interest Member States were also obtained through a questionnaire-based survey carried out by the UNCTAD secretariat, the results of which were presented to the second session of the Standing Committee.

4. Deliberations on some of the issues selected for discussion and review by the Standing Committee were first carried out at a technical level in various expert forums, namely a workshop on "Social Mobilization and Organization of the Poor" that was held in Tunis in November 1993, an intergovernmental group of experts meeting on "Social Funds and Safety Nets, including Mobilization of Domestic and External Resources for Poverty Alleviation" that met in Geneva in January 1994; and a workshop on "Poverty Alleviation through International Trade" that was held

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[1] See Programme of Work of the Standing Committee on Poverty Alleviation (TD/B/CN.2/4), 25 January 1993.

[2] See Report of the Standing Committee on Poverty Alleviation on its first session (TD/B/39(2)13), annex I.

in Santiago in January 1995.[3] The role of the Standing Committee in those instances has been to raise the issues discussed at a technical level to a political level of discourse and policy consideration. The Standing Committee, in turn, has passed on its findings and recommendations to national capitals and, in the case of the World Summit for Social Development, made recommendations that were incorporated in the Summit's Programme of Action (see Annex II).

5. The Standing Committee, at its first session in January 1993, decided to carry out work in its forthcoming sessions in the substantive areas that are summarized below:

(a) Productive sector policies and programmes, namely job-creation policies and access of the poor to productive assets;

(b) Social policies, namely access of the poor to social services and their security coverage through safety net programmes;

(c) Macroeconomic policies, namely the impact of debt, stabilization and structural adjustment policies on the poor;

(d) Institutional policies, namely effective planning, institutions, a suitable regulatory framework, decentralization and participation of the poor in poverty reduction programmes;

(e) Development assistance, namely ways and means of enhancing the effectiveness, levels and uses of resources devoted by governments, donors, international organizations and NGOs to poverty alleviation;

(f) International trade, namely analyzing the effects of global trade liberalization on the poor and proposing policies to stimulate labour-intensive exports from developing countries and the participation of small-scale enterprises in international trade;

(g) Sustainable development, namely examining the implications for the poor of national and international policies relating to the environment;

(h) Population and migration, namely analyzing the relationship between population growth (and programmes to curb it), domestic and international migration, and poverty.

6. Of the above issues, all but (g) and (h) will have been covered by the Standing Committee during its second session of 25-29 July 1994 and third session of 12-16 June 1995. In accordance with a Trade and Development Board decision restricting the number of substantive items to no more than two per Committee session, it was not possible to add issue (g) to the two issues to be examined at the third session (and last session before UNCTAD IX) of the Standing Committee on Poverty Alleviation. As for item (h), the Standing Committee at its second session decided to remove it from the work programme as population and migration are issues not normally dealt with by UNCTAD.

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[3] See the annotation contained in annex I with respect to the Tunis and Santiago Workshops.

7. The substantive documents prepared by the secretariat include six issues notes and eight background notes. In addition, a large number of technical papers were submitted by experts participating in the workshops and intergovernmental group of experts meeting organized by UNCTAD.

8. The substantive items taken up in the second and third sessions of the Standing Committee have been made up of the following clusters of issues which, between them, encompass items (a) through (f) shown above:

Item 3 of second session: Exchange of experiences on poverty reduction impacts of social funds and safety nets, including mobilization of domestic and external resources for poverty alleviation

Item 4 of second session: Effects on poverty alleviation of structural adjustment programmes, job creation policies and means for the participation of small-scale and micro-enterprises in international trade

Item 5 of second session: Social mobilization and organization of the poor

Item 3 of third session: Analysis of the effects on the livelihood of the poor of elimination of trade barriers, increased competitiveness, trade flows, external shocks, diversification of exports, particularly of labour-intensive goods, and market access for such goods

Item 4 of third session: Analysis of the effectiveness and impact of international development cooperation for poverty alleviation, including the identification of impediments, innovative measures and effective strategies for reaching the poor

9. The second session of the Standing Committee that met in 1994 focused its deliberations on (a) the impact of structural adjustment programmes on the poor and (b) the role of small-scale and micro-enterprises that produce for export in terms of their alleviation of poverty. The main conclusions of the second session with regard to those two items was that (a) structural adjustment programmes ought to be modified in ways that can mitigate their negative impacts on the poor, and (b) the role of the small-scale sector in international trade merits greater policy attention in developing countries as it can be an effective means of alleviating poverty. The second session also took note of and briefly discussed some of the aspects of (a) the Tunis workshop on social mobilization and organization of the poor, and of (b) the Intergovernmental group of experts on social funds and safety nets, including the mobilization of domestic and external resources for poverty alleviation. Delegates concurred with the recommendations of those two meetings to (a) strengthen the participation of the poor in development and (b) enhance the resources and effectiveness of social funds and safety nets as mechanisms for alleviating in particular conjunctural poverty. The issue of job-creation policies for the poor received only limited attention since it was considered a subject more suitable for ILO deliberations. The issues of (a) effective development cooperation and (b) international trade in relation to poverty alleviation will be examined at the third session of the Standing Committee. Discussions of the latter issue will be facilitated by the technical findings and recommendations of the Santiago Workshop.

10. The role and future work of the Standing Committees of UNCTAD were discussed during the Mid-term Review Informal Working Group that was held in Geneva in the spring of 1994. Among other things, the Group felt that the number of inter-sessional meetings, such as meetings of intergovernmental groups of experts, should be reduced, and that those meetings should be made more focused and realistic in their objectives. The Group also proposed that unnecessary duplication be avoided, both within UNCTAD and between the work of the standing committees of UNCTAD and work being carried out in other organizations.

11. The views of the Mid-term Review Informal Working Group were reflected in the approaches adopted at the second session of the Standing Committee on Poverty Alleviation. It was agreed, for instance, not to hold an intergovernmental meeting of experts between the second and third sessions of the Standing Committee. With a view to complementing and supplementing the efforts carried out by other organizations, moreover, there was general consensus that the work of the Standing Committee should focus more specifically on the poverty dimensions of the economic and technical issues for which UNCTAD has primary responsibility in the United Nations system.

12. The work carried out from mid-1994 until the present by UNCTAD on the nexus between poverty alleviation and international trade represents an important step forward in linking the Standing Committee's work on poverty with the main areas of work for which UNCTAD is responsible in the United Nations system. The complementarity of this new work on poverty with UNCTAD's long-standing work on trade have enabled the poverty work to be done in greater depth, in the sense that in-house technical and economic experience on trade has been drawn upon while new ground has been broken with respect to the poverty dimensions of trade. The work by UNCTAD on the poverty aspects of trade that has resulted from this synergistic in-house approach has not gone unnoticed by other international organizations. For example, the Organization of American States (OAS) has proposed that a joint OAS/UNCTAD project be carried out concerning the impact of the Uruguay Round on poverty in Latin America and the Caribbean region. Practical applications have also flown from UNCTAD's work on poverty alleviation through international trade. For instance, the emphasis given by the Santiago workshop on, among other things, non-traditional agro-exports was subsequently followed-up by a request for technical assistance from Bolivia to help prepare a project to promote horticultural exports as a means to alleviate poverty.

III. PROPOSED FUTURE ORIENTATION OF THE WORK PROGRAMME

13. The general consensus of the second session of the Standing Committee that it should focus its poverty efforts on the trade and development areas where UNCTAD has a recognized competence and mandate in the United Nations system should serve as the touchstone for the future work programme on poverty alleviation. The benefits of such an approach would accrue to Member States, the United Nations system and UNCTAD itself. In examining at its third session the nexus between international trade and poverty alleviation, for instance, the Standing Committee will be performing a valuable service for both UNCTAD and member States by strengthening UNCTAD's role as a policy-oriented forum in which trade is dealt with from a development perspective.

14. The significance of the Standing Committee's work for UNCTAD goes beyond poverty, narrowly defined. It potentially embraces a number of important social concerns that can provide an added dimension to UNCTAD's work on trade and

development. The issue of relative poverty, for instance, is central to questions of income distribution, economic opportunity and social mobility, while absolute poverty is associated with the question of whether a country is continuing to develop or is falling behind. The World Summit for Social Development made an important point when it reminded policy makers that the concerns of development should be to "put people first", in particular the poor.

15. The proposal that the Standing Committee carry out a more niche-specific role with respect to poverty alleviation makes sense when viewed in the context of the follow-up to the World Summit for Social Development. In a world where unequal development, deprivation and social exclusion persist unabated, the Social Summit has provided renewed meaning and impetus to global efforts to alleviate poverty. The designation of 1996 as the International Year for the Eradication of Poverty further underscores the importance which Member States attach to the goals of alleviating and eventually eliminating absolute poverty.

16. In following up the recommendations of the Social Summit and preparing for the International Year for the Eradication of Poverty, the United Nations system can mitigate poverty by having each and all constituent parts of the system combat poverty in accordance with their specialized mandates and areas of competence in the system. In this way, the work of each part of the system will complement work being done elsewhere in the system in dealing with the multifaceted task of alleviating absolute poverty and eventually eliminating it. UNCTAD's focus on poverty alleviation could be linked to its mandates on trade, foreign direct investment, science and technology, commodities and least developed countries. The paragraphs given below can assist the Standing Committee identify possible substantive issues for its future work programme. A total of six issue areas are identified for possible consideration since (a) three sessions of the Standing Committee would be convened between UNCTAD IX and UNCTAD X, and (b) each session would deal with no more than two substantive issues. These suggestions are shown below, in no particular order of priority or sequencing.

(a) With respect to UNCTAD work on commodities and the ways in which poverty issues apply to commodities, the Standing Committee might consider reviewing trends in poverty alleviation as a result of smallholders and rural labour participation in tropical agriculture exports. Issues to be analysed in this respect could include trends in terms-of-trade and world prices for the commodities in question, domestic exchange rate policies, biotechnological advances, and the respective roles of the public and private sectors in the provision of inputs, extension services and export-marketing structures. Through the implementation of grassroots studies in a selected number of countries, the impact of such trends on the viability of the smallholder sector and landless labourers in commodities production for export could be empirically assessed, and policy recommendations could accordingly be derived.

(b) With respect to UNCTAD work on transnational corporations and investment, the Standing Committee might consider examining the impact of "second generation" export processing zones, maquilas, and joint ventures on poverty in the host developing countries. As most outward-oriented foreign investment is made in order to reap the benefits of low-cost labour, the jobs created benefit primarily the poor, and often in particular women, in the developing countries concerned. The impact of such investments on different categories of the poor, and their spread

effects and backward linkages in the local economy, could be empirically assessed through the commissioning of a selected number of case studies.

(c) With respect to UNCTAD work on science and technology, the Standing Committee might consider examining the impact of improved seeds and agricultural technologies for poor, rainfed areas; new tropical disease vaccines and medicines for incorporation in primary health care systems; and low-cost building materials for the basic shelter and infrastructure needs of the urban and rural poor. Such work could be carried out in cooperation with FAO, WHO and UNCHS/Habitat, respectively, with the aim of identifying and adopting improved technologies to satisfy the most pressing basic needs of the poor.

(d) With respect to UNCTAD's work in international trade and global interdependence, the Standing Committee might consider continuing the work that has already been initiated with respect to (a) modelling trade liberalization and the impact of various trade sectors on poverty and (b) proposing labour-intensive sectors of increased export potential for developing countries. The trade impact of the Uruguay Round on poverty in the developing countries could be refined and updated through improved modelling estimates and the monitoring and evaluation of empirical data. The findings of the Santiago workshop (see annex I) with respect to actual and potential export opportunities in labour-intensive sectors such as footwear, knitwear and horticultural products could be extended to other labour-intensive export sectors.

(e) With respect to UNCTAD's work on least developed countries, it is important to recall that, as quoted in paragraph 1 of the present report, the mandate of the Standing Committee singles out as important the need to identify the particular problems of least developed countries (LDCs) with respect to poverty alleviation. In this regard, the Standing Committee might consider analyzing how poverty alleviation requirements for those countries differ from those of middle-income countries. For instance, targeted approaches based on the redistribution of some of a country's available domestic resources to pockets of poverty make more sense for middle-income countries than for LDCs. Instead, economic development approaches that take into account the majority of the rural population, and that are supported by adequate flows of official development assistance, are critical for alleviating poverty in the LDCs. A typology of poverty alleviation approaches for LDCs with different characteristics and attributes could also be undertaken as part of this item.

(f) With respect to unfinished business carried over from the present work programme, The Standing Committee might consider linking the sustainable development issue to UNCTAD's ongoing economic and technical work on sustainable development. For instance, land pressures and soil erosion in Africa and parts of Asia could be examined in the context of the growing numbers of the rural poor.

17. The above-suggested elements of a work programme would be carried out in close collaboration with the UNCTAD Divisions concerned, as well as with the regional Economic Commissions, other relevant parts of the United Nations system, other international organizations, and national governments.

Annex I

NOTE ON THE TUNIS AND SANTIAGO WORKSHOPS

THE TUNIS WORKSHOP

An interregional Workshop entitled "Social Mobilization and Organization of the Poor" was organized by the UNCTAD secretariat, with support from UNDP and the Government of the Netherlands, and hosted in Tunis by the Government of Tunisia from 15 to 18 November 1993. Thirty experts from all regions of the world attended the workshop. The UNCTAD secretariat presented a brief "issues note" containing a number of suggested questions to be addressed by the Workshop.

The Workshop produced conclusions that outlined orientations and guidelines for integrating various modes of participation into national and international development programmes and strategies. On the basis of the discussions and recommendations of the Workshop, the UNCTAD secretariat prepared a report entitled "Social mobilization and organization of the poor: Report of the Workshop on social mobilization and organization of the poor" (TD/B/CN.2/7) of 14 January 1994, which was submitted to the second session of the Standing Committee on Poverty Alleviation in July 1994.

THE SANTIAGO WORKSHOP

The UNCTAD secretariat convened an interregional Workshop entitled "Poverty Alleviation through International Trade" that was held in Santiago, Chile, from 10 to 13 January 1995. The Workshop was organized with support from the UNDP and the Governments of the Netherlands and Switzerland, and was hosted by the Government of Chile. There were over 50 participants in attendance, including 14 expert-panelists who presented technical papers on the items for which they were responsible. The UNCTAD secretariat prepared in advance of the Workshop a analytical "issues note" which it sent to the panelists for their orientation. The note was made available in English and Spanish to all the other participants as well. The Workshop began and ended with plenary sessions, between which two separate working groups - one on export-oriented small and micro-enterprises, the other on non-traditional agro-exports - met concurrently.

An analysis and synthesis of the issues covered by the Workshop is contained in Section II of the report entitled "International trade and poverty alleviation" (TD/B/CN.2/13) of 31 March 1995. A summary of the proceedings of the Workshop can be found in the report entitled "Report on the Workshop on Poverty Alleviation through International Trade" (UNCTAD/ECDC/PA/1). In view of the high quality of the technical papers presented at the Workshop, a compendium of the papers will be published later in 1995.

Annex II

NOTE ON THE RECOMMENDATIONS OF THE STANDING COMMITTEE ON POVERTY ALLEVIATION TO THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT

The second session of UNCTAD's Standing Committee on Poverty Alleviation adopted a set of recommendations for the World Summit for Social Development. While acknowledging the difficulties arising from the Uruguay Round decisions for in particular the least developed countries, the principal message conveyed in the recommendations on trade to the Social Summit was that, by providing increased export opportunities for many developing countries, the Uruguay Round agreements also offer an opportunity to reduce poverty in those countries. Besides recommendations concerning the nexus between poverty alleviation and international trade, the contribution of the Standing Committee to the World Summit also included recommendations on structural adjustment policies, the burden of debt servicing, and debt conversion schemes in support of small-scale enterprises and smallholders engaged in exports production. The complete agreed text of the recommendations to the Social Summit is contained in annex I of the report entitled "Report of the Standing Committee on Poverty Alleviation on its second session" (TD/B/41(1),:1) of 18 August 1994.

The recommendations of the Standing Committee were introduced into the Summit's draft Programme of Action by the UNCTAD secretariat and the delegations of India and Switzerland during the second Preparatory Committee of the Social Summit that was held in New York in August 1994. Although the draft Programme of Action was substantially modified and reduced in length in its final version, the main recommendations of the Standing Committee were maintained in the Summit's Programme of Action that was adopted in March 1995 in Copenhagen. In particular, the recommendations on trade in relation to poverty represent a significant contribution that would not otherwise have been reflected in the final Programme of Action that was adopted at the Summit.